



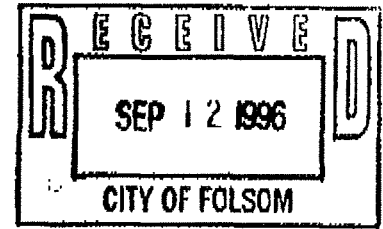
IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF RECLAMATION

North-Central California Area Office
7794 Folsom Dam Road
Folsom, California 95630

SEP 10 1996



CC-412
WTR-4.00

Mr. Michael Frost, City Manager
City of Folsom
50 Natoma Street
Folsom, California 95630

Subject: Transfer of Water Rights Water to City of Folsom from Southern California Water Company--Folsom Dam and Reservoir--Central Valley Project, California

Dear Mr. Frost:

This is to acknowledge the intent of the Southern California Water Company (Company) to transfer to the City of Folsom (City) up to 5,000 acre-feet of the Company's 10,000 acre-feet water rights entitlement. This water would be transferred on a take or pay basis on the following schedule:

<u>Fiscal Year</u> <u>(Commencing July 1)</u>	<u>Minimum Acre-Feet of</u> <u>Water Transferred</u>
1994/95	500
1995/96	1,500
1996/97	2,500
1997/98	3,500
1998/99	4,500
1999/2000 and thereafter	5,000

This transfer of water rights water has an unlimited term, but may be terminated by the City upon six months written notice to the Company. The City also has the right to reduce the maximum amount of water transferred under the agreement with six months written notice to the Company.

Reclamation acknowledges this transfer with the following stipulations:

1. The City shall ensure that the total amount of water rights water delivered to the Company and the City in any calendar year shall not exceed 32,000 acre-feet.
2. The City shall ensure that the combined rate of delivery of water rights water to the Company and the City shall not exceed 60 cfs.
3. The City shall notify Reclamation of any notice of termination or request for reduction in maximum transfer amount within 60 days of requesting termination or a reduction.

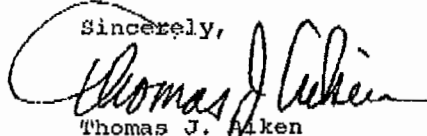
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4. The City shall provide Reclamation with a schedule of deliveries for each water year, and provide updates on a monthly basis for all transferred water used by the City.

If the foregoing stipulations are acceptable to the Company, please sign and return one copy of this letter in the enclosed envelope.


If you have any questions, please contact Cecil Lesley at (916) 989-7221 (TDD 979-7285).

Sincerely,



Thomas J. Aken
Area Manager

Accepted:



for City of Folsom

SEPT-13-1996
Date

In Duplicate

cc: John F. Redding, Manager
Southern California Water Company
3140 Gold Camp Drive, Suite 30
Rancho Cordova, California 95670